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புதுச்சேரி மாநில அரசிதழ்

La Gazette de L'État de Poudouchéry

The Gazette of Puducherry

PART - II

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GOVERNMENT OF PUDUCHERRY LOCAL ADMINISTRATION SECRETARIAT

(G.O. Ms. No. 3/LAS/A4/2010-11, dated 8th April 2010)

ORDER

Whereas the Hon'ble Chief Minister announced on the Floor of the Legislative Assembly during the Budget Session 2009-10 that the Government would introduce a scheme for giving interest subsidy and that the interest beyond 3% on loan of maximum amount of Rs. 2.00 lakhs to each Self-help Group would be borne by the Government subject to prompt repayment;

And whereas it has been decided to implement the said scheme initially in Yanam region as a Pilot Project;

And whereas it is considered expedient to formulate detailed guidelines prescribing the procedure for the implementation of the above-mentioned scheme;

And whereas the proposal has been considered by the Government and the proposed scheme being a welfare measure, there may be no objection for introducing the same as a Pilot Project in Yanam region;

Now, therefore, the Lieutenant-Governor, Puducherry is pleased to approve the proposed scheme and to issue the following guidelines for implementation thereof :-

THE GUIDELINES FOR THE IMPLEMENTATION

I. *Short title, extent and commencement.*— (i) This scheme may be called the “Payment of Interest Subsidy to the Women Self-help Groups Scheme, 2009”.

(ii) PUDA shall be the nodal agency for implementation of the scheme.

(iii) It shall extend to all the Women Self-help Groups registered with the Puducherry Urban Development Agency, Local Administration Department and the District Rural Development Agency in the whole of the Union territory of Puducherry.

(iv) It shall come into force in Yanam region from 6-1-2010 and in Pondicherry, Karaikal and Mahe regions on such dates as the Government may publish in the gazette.

II. *Objectives.*— This scheme aims at strengthening and empowering Women Self-help Groups engaged in providing self-employment of women by reimbursement of that part of the interest charged by Government banks over and above 3% per annum in respect of the loans not exceeding Rs.2.00 lakhs availed of by such Self-help Groups. If loan exceeds Rs. 2.00 lakhs, the component above Rs. 2.00 lakhs shall not be eligible for the interest subsidy.

Explanation.— For the purpose of this clause, if the interest rate is more than 3%, the Self-help Groups would pay the interest amount to the limit of 3% and the remaining amount will be reimbursed by way of subsidy by the Government so as to reduce the financial burden of the Self-help Groups.

III. *Definition.*—

In this scheme unless the context otherwise requires,—

(a) “Bank” means any nationalised or scheduled or commercial or co-operative or regional rural bank;

(b) “Self-help Group” means any women Self-help Group which has been registered with the Puducherry Urban Development Agency (PUDA), Local Administration Department and the District Rural Development Agency (DRDA);

IV. *Eligibility.*— (i) Women Self-help Groups already registered with PUDA/DRDA which make prompt repayment of loan every month *i.e.* within the period fixed by the bank shall be eligible to avail interest subsidy. These Self-help Groups should not be engaged in financing/money lending. These Self-help Groups should be working in the same region in which they are registered and engage in income generating activities.

(ii) Self-help Groups which have completed two years from the date of registration shall only be eligible for benefits of this scheme.

(iii) Each Self-help Group will be eligible for availing this scheme from only one bank at a point of time. The Self-help Group can avail this scheme for a second loan only after the entire first loan has been paid off.

(iv) If the Self-help Group defaults in payment, the Government will cease to pay the interest subsidy from the next month.

V. *Application of the scheme.*— The scheme will be applicable to all loans extended to Self-help Groups by banks on or after the date of issue of notification and to Self-help Groups who have already availed and are regular in repayment and extending the scheme to a

particular region of Union territory of Puducherry. The scheme will be applicable only in respect of term loans and not on clean overdraft and working capital loans. In case of Yanam, the scheme is applicable as on 6-1-2010.

VI. *Procedure and other conditions for payment of interest subsidy.* — Government shall release grant-in-aid to the Nodal Agencies the funds required by them on an yearly basis for being placed with the nodal bank. A Savings Bank Account will be opened with the lead bank branch which is operating in the region. Requirement of funds to be kept in the Savings Bank Account will depend on—

- (i) Number of Self-help Groups in the Territory.
- (ii) Approximate loan component for the number of Self-help Groups at Rs.2.00 lakhs/Self-help Group.
- (iii) Interest rate on loans ranging from 9% to 13% depending upon the prime lending rate from the financing bank, the activity and the period of the loan.
- (iv) The sum of money required to pay interest on loan of Rs. 2.00 lakh taken by the eligible Self-help Groups.

Out of the total interest component, 3% of the interest charged would be borne by the Self-help Groups while the balance would be subsidised by the Government. The interest component to be given by the Government would be placed with the nodal bank on a one year basis.

Each bank on a monthly basis will calculate the 75% of the interest at monthly discounted rate as per the procedure that is to be subsidised by the Government and will claim that from the lead bank on the first working day of the subsequent month. The claim amount will be credited to the claimant Bank by Electronic Funds Transfer/ Real Time Gross Settlement well within 24 hours. A monthly statement would be given by the Nodal Bank to the Nodal Agency which would specify the following in case of each bank:

- (i) The name of the Self-help Group and the activity for which the loan is being given.
- (ii) Amount of loan given.

(iii) Amount of monthly interest payable by the Self-help Group.

(iv) Amount of 3% of the interest which is deposited by the Self-help Group.

(v) The amount of interest over and above the 3% payable by the Government.

The responsibility of ensuring that the subsidy is given to only those Self-help Groups which are prompt in payment of their part of interest and principal would lie entirely on the bank concerned. The loan amount which are classified as non-performing assets in the books of the bank at the close of the previous financial year would not be eligible for availing the subsidy. The lead bank would take a list of authorised Self-help Groups who can avail the subsidy from the Commissioner of Municipalities, the Block Development Officers/Joint Block Development Officers before releasing the subsidy amount to the banks. The nodal agency shall furnish the Utilisation Certificate to the Government.

VII. *Interpretation.*— In the interpretation of this scheme, if any doubt arises in regard to the interpretation of any of the provisions of this scheme, the matter shall be referred to the Secretary to Government, Local Administration Department, Puducherry whose decision thereon shall be final.

This issues with the concurrence of Finance Department *vide* their I.D.No. 113652/F4/2010, dated 5-1-2010.

(By order of the Lieutenant-Governor)

V. MANIVANNAN,
Under Secretary to Government.

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